LINER INSPECTION AND CLOSURE REPORT REPORTABLE RELEASE

Spur Energy Partners

Seacrest ET AL #1
Incident ID: NAPP2118846106
API #30-015-22321
Eddy County, NM

Prepared by:



Paragon Environmental LLC 1601 N. TURNER ST. STE.500 Hobbs, NM 88240 575-964-7814

GENERAL DETAILS

This report was prepared by Paragon Environmental LLC (Paragon) in response to the release for Spur Energy Partners (Spur) at the **Seacrest ET AL #1 (Seacrest)**.

Site Coordinates: Latitude: 32.6808357 Longitude: -104.41922

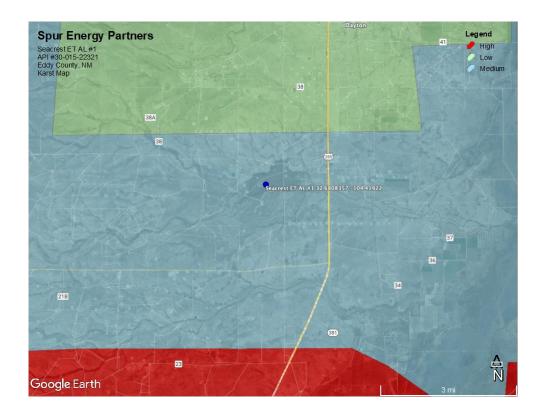
Unit UL B, Section 07, Township 19S, Range 26E

Incident ID: NAPP2118846106

REGULATORY FRAMEWORK

<u>Depth to Groundwater</u>: According to the New Mexico State of Engineers Office, the nearest water data is 8/10ths mile away and is 175 feet below ground surface (BGS). See Appendix A for details.

<u>Soil Survey:</u> Per the New Mexico Bureau of Geology and Mineral Resources, the geology is in the Piedmont alluvial deposits (Holocene to lower Pleistocene)-Includes deposits of higher gradient tributaries bordering major stream valleys, alluvial veneers of the piedmont slope, and alluvial fans. May locally include uppermost Pliocene deposits (QP). According to the United States Department of Agriculture Natural Resources Conservation Service soil survey, the soil in this area is comprised of the Pima silt loam, with 0 to 1 percent slopes. The drainage courses in this area is well-drained. The karst geology in the area of the Seacrest is not in High Karst. See the map below.



RELEASE DETAILS

This release was due to equipment failure. The H-Pump at the facility went down and the actuator didn't close the tanks causing the tank to overflow. The 216 bbls of produced water released were contained in the Falcon Lined containment. A vacuum truck was dispatched and recovered the 215 bbls of the fluids.

Date of Spill: 06/05/2021

Type of Spill: □ Crude Oil □ Produced Water □ Condensate □ Other (Specify):

Comments: Reportable release.

Released: 0 bbls of Oil and 216 bbls of Produced Water Recovered: 0 bbls of Oil and 215 bbls of Produced Water

INITIAL SITE ASSESSMENT

On July 13, 2022, Paragon went to the Seacrest and conducted an initial assessment. There were obvious staining on the liner from the spill. There were no signs outside the containment that the liner had been breached. Therefore, no samples were taken. See the site map below showing the affected area.



REMEDIATION ACTIVITIES

On July 14, 2022, Paragon returned to the site with equipment and personnel to conduct cleanup activities. We initially sprayed the affected area with surface cleaner. We then power washed and squeegeed the runoff to where the vacuum truck could capture the fluids.

On July 20, 2022, Paragon returned to the site to conduct a liner inspection. A 48-hour notification was sent out to the NMOCD on July 18, 2022. The liner inspection concluded that the liner was all intact and in good condition. The integrity of the liner appears to have the ability to contain spills. See Appendix D for the email notification and liner report.

CLOSURE REQUEST

After careful review, Paragon requests that the incident, NAPP2118846106, be closed. Spur has complied with the applicable closure requirements. If you have any questions or need additional information, please contact Chris Jones at 575-964-7814 or chris@paragonenvironmental.net.

Respectfully,

Chris Jones

Environmental Professional Paragon Environmental LLC

Attachments

Figures:

- 1- Topo Map
- 2- Aerial Map

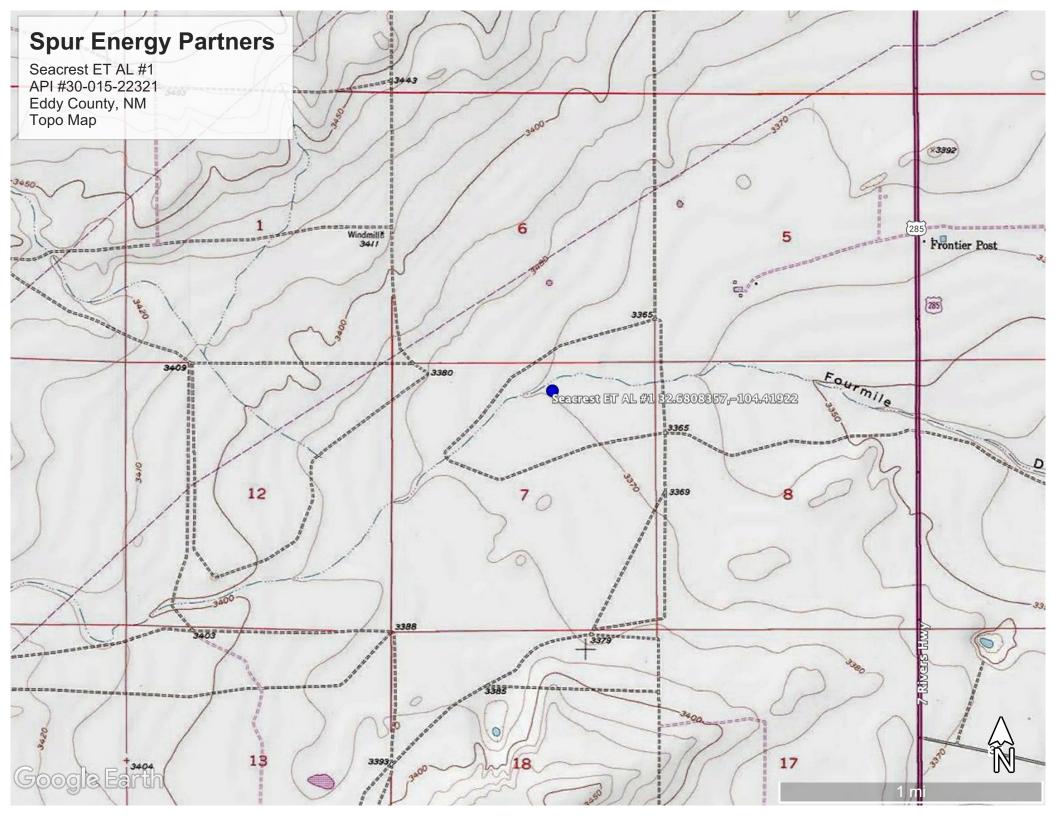
Appendices:

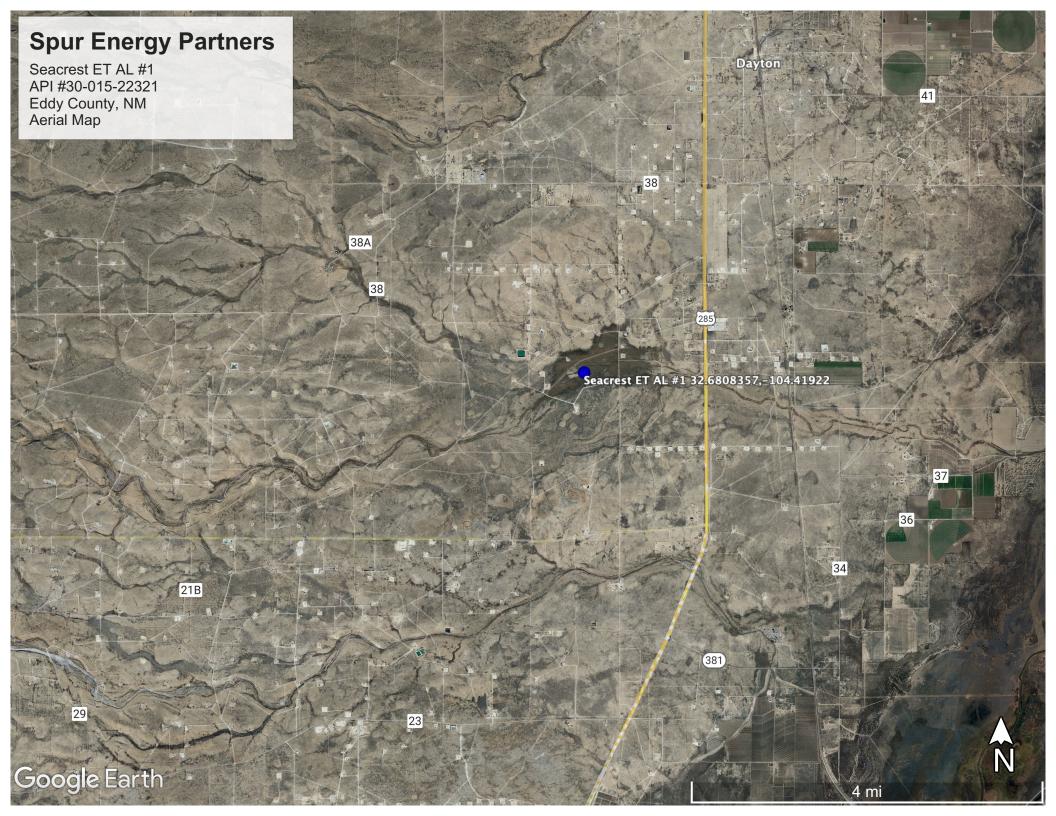
- Appendix A- Referenced Water Data
- Appendix B- Soil Survey & FEMA Flood Map
- Appendix C- C-141
- Appendix D- Email, Liner Inspection and Photographic Documentation



Figures:

1-Topo Map 2- Aerial Map







Appendix A Referenced Water Data:

New Mexico State of Engineers Office



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(R=POD has been

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

O=orphaned,

replaced,

C=the file is (quarters are 1=NW 2=NE 3=SW 4=SE)

ed) (quarters are smallest to largest) (NAD)

closed) (quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

		POD												
		Sub-		Q	Q								V	Vater
POD Number	Code	basin	County	64 1	6 4	Sec	Tws	Rng	X	Y	DistanceDe	pthWellDep	thWater C	olumn
RA 07954		RA	ED	3	2 3	05	19 S	26E	555566	3616763*	1322	290	175	115

Average Depth to Water: 175 feet

Minimum Depth: 175 feet

Maximum Depth: 175 feet

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 554449.866 **Northing (Y):** 3616053.729 **Radius:** 1500

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

WATER COLUMN/ AVERAGE DEPTH TO WATER



Appendix B Soil Survey:

U.S.D.A.

FEMA Flood Map

Eddy Area, New Mexico

PM—Pima silt loam, 0 to 1 percent slopes

Map Unit Setting

National map unit symbol: 1w56 Elevation: 600 to 4,200 feet

Mean annual precipitation: 8 to 25 inches
Mean annual air temperature: 60 to 70 degrees F

Frost-free period: 195 to 290 days

Farmland classification: Farmland of statewide importance

Map Unit Composition

Pima and similar soils: 98 percent Minor components: 2 percent

Estimates are based on observations, descriptions, and transects of the mapunit.

Description of Pima

Setting

Landform: Flood plains, alluvial flats, alluvial fans Landform position (three-dimensional): Talf, rise

Down-slope shape: Convex, linear Across-slope shape: Linear, convex

Parent material: Alluvium

Typical profile

H1 - 0 to 3 inches: silt loam
H2 - 3 to 60 inches: silty clay loam

Properties and qualities

Slope: 0 to 1 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained Runoff class: Medium

Capacity of the most limiting layer to transmit water (Ksat): Moderately high (0.20 to 0.60 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: RareNone Frequency of ponding: None

Calcium carbonate, maximum content: 15 percent Maximum salinity: Nonsaline to slightly saline (0.0 to 4.0

mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: High (about 11.9 inches)

Interpretive groups

Land capability classification (irrigated): 1 Land capability classification (nonirrigated): 7c

Hydrologic Soil Group: C

Ecological site: R042XC017NM - Bottomland



Hydric soil rating: No

Minor Components

Dev

Percent of map unit: 1 percent Ecological site: R042XC017NM - Bottomland

Hydric soil rating: No

Reagan

Percent of map unit: 1 percent

Ecological site: R042XC007NM - Loamy

Hydric soil rating: No

Data Source Information

Soil Survey Area: Eddy Area, New Mexico Survey Area Data: Version 17, Sep 12, 2021

National Flood Hazard Layer FIRMette



Legend SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT Without Base Flood Elevation (BFE) With BFE or Depth Zone AE, AO, AH, VE, AR SPECIAL FLOOD **HAZARD AREAS** Regulatory Floodway 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X **Future Conditions 1% Annual** Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes. Zone X OTHER AREAS OF Area with Flood Risk due to Levee Zone D FLOOD HAZARD NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs OTHER AREAS Area of Undetermined Flood Hazard Zone D - - - Channel, Culvert, or Storm Sewer **GENERAL** STRUCTURES | LILLIL Levee, Dike, or Floodwall 20.2 Cross Sections with 1% Annual Chance 17.5 Water Surface Elevation **Coastal Transect** ₩ 513 W Base Flood Elevation Line (BFE) Limit of Study **Jurisdiction Boundary** -- Coastal Transect Baseline OTHER **Profile Baseline FEATURES** Hydrographic Feature Digital Data Available No Digital Data Available MAP PANELS Unmapped

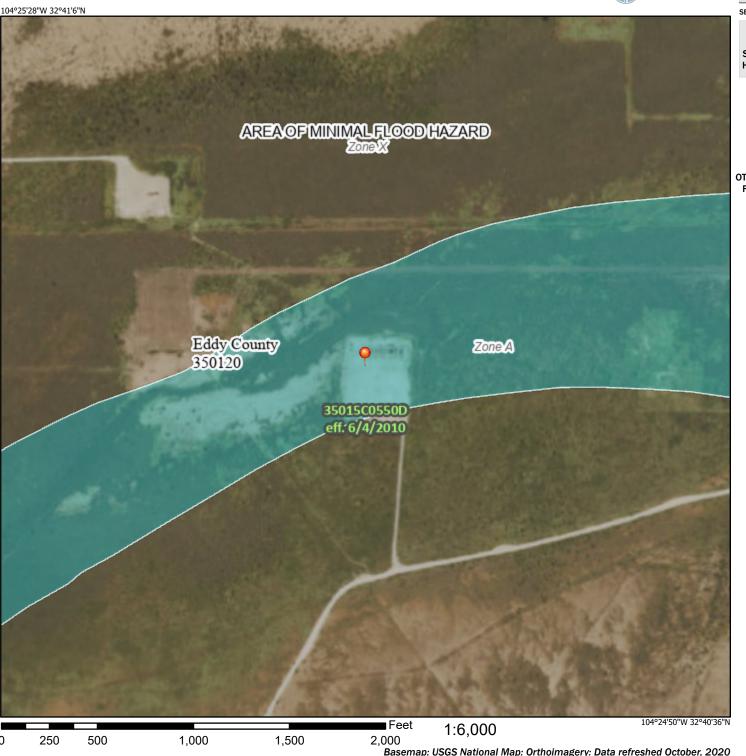
The pin displayed on the map is an approximate point selected by the user and does not represent

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

an authoritative property location.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/5/2022 at 1:20 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.





Appendix C:

C-141

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 1625 N. French Dr., Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Responsible Party

Contact Name

Spur Energy Partners LLC

Braidy Moulder

State of New Mexico Energy Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-141 Revised August 24, 2018 Submit to appropriate OCD District office

Incident ID	NAPP2118846106
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

OGRID

328947 Contact Telephone 713-264-2517

Contact email bmoulder@spurepllc.com				Incident #	Incident # (assigned by OCD) NAPP2118846106		
Contact mail	Contact mailing address 2407 Pecos Avenue, Artesia, NM 8						
			Location	of Release S	ource		
Latitude 32	.68083	57	(NAD 83 in de	Longitude . cimal degrees to 5 decir	-104.41922		
Site Name SE	CREST F	T AL #001		Site Type	Production		
Date Release					plicable) 30-015-22321		
Unit Letter	Section	Township	Range	Cour			
В	7	198	26E	Edd	-		
Surface Owner	Surface Owner: State Federal Tribal Private (Name:)						
		(C) D 1 (C) 1 (C)		d Volume of 1		That is	
Crude Oil		Volume Release		calculations of specific	Volume Recovered (bbls		
Produced	Water	Volume Release	d (bbls) 216		Volume Recovered (bbls) 215		
		Is the concentrat	ion of dissolved c	hloride in the	in the Yes No		
Condensa	te	Volume Release			Volume Recovered (bbls)		
☐ Natural G	as	Volume Release	d (Mcf)		Volume Recovered (Mcf)	
Other (describe) Volume/Weight Released (provide units) Volume/Weight Recovered (provide units)					ed (provide units)		
Cause of Rele	ease The H	l-Pump at the	facility went o	down and the a	actuator never closed	to the tanks.	

State of New Mexico Oil Conservation Division

Incident ID	NAPP2118846106
District RP	
Facility ID	
Application ID	

Was this a major	If YES, for what reason(s) does the response	nsible party consider this a major release?						
release as defined by 19.15.29.7(A) NMAC?	>25 bbls							
19.13.29.7(A) WIAC:								
Yes No								
		1						
	-	hom? When and by what means (phone, email, etc)?						
Dakota Neel (SPUF	R) sent an email to Mike Bratcher	and Jim Griswold on 6/6/2021.						
	Initial R	esponse						
The responsible	party must undertake the following actions immediate	ly unless they could create a safety hazard that would result in injury						
■ The source of the rele	ease has been stopped.							
■ The impacted area ha	is been secured to protect human health and	the environment.						
Released materials ha	ave been contained via the use of berms or	dikes, absorbent pads, or other containment devices.						
All free liquids and re	ecoverable materials have been removed ar	d managed appropriately.						
If all the actions describe	d above have <u>not</u> been undertaken, explain	why:						
has begun, please attach	a narrative of actions to date. If remedial	remediation immediately after discovery of a release. If remediation efforts have been successfully completed or if the release occurred blease attach all information needed for closure evaluation.						
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and								
regulations all operators are	required to report and/or file certain release not	fications and perform corrective actions for releases which may endanger						
		OCD does not relieve the operator of liability should their operations have eat to groundwater, surface water, human health or the environment. In						
		responsibility for compliance with any other federal, state, or local laws						
	a Neel	Title: HSE Coordinator						
Printed Name: Dakot	4 14001							
Signature:	Signature:							
email: dneel@spurepllc.com 832-849-7837								
		×						
OCD Only								
	Marcus	7/7/2021						
Received by: Date:								

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
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State of New Mexico Energy Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-141 Revised August 24, 2018 Submit to appropriate OCD District office

Incident ID	NAPP2118846106
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Spur Energy Partners					OGRID 3	328947	
Contact Name Chad Hensley				Contact Telephone 346-339-1494			
Contact email chensley@spurenergy.com				Incident # NAPP2118846106			
		1 01			Incident #	# NAPP2118846106	
Contact mail Houston, TX		919 Milam Street	Suite 2475				
Location of Release Source							
Latitude 32.6808357 Longitude -104.41922							
Site Name Se	eacrest ET A	L #1			Site Type	Production	
Date Release	Discovered	06/05/2021			API# 30-0	015-22321	
Unit Letter	Section	Township	Range		Cou	unty	
В	7	19S	26E	Edd	У		
Surface Owner: State Federal Tribal Private (Name:) Nature and Volume of Release Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)							
Crude Oi		Volume Release				Volume Recovered (bbls)	
□ Produced	Water	Volume Release	ed 216 (bbls)			Volume Recovered 215 (bbls)	
		Is the concentra	tion of dissolved >10,000 mg/l?	l chloride	e in the	☐ Yes ☐ No	
Condensa	ate	Volume Release	ed (bbls)			Volume Recovered (bbls)	
☐ Natural C	as	Volume Release	ed (Mcf)			Volume Recovered (Mcf)	
Other (describe) Volume/Weight Released (provide units			S) Volume/Weight Recovered (provide units)				
Cause of Release							
The H-Pump at the facility went down and the actuator didn't close the tanks causing the tank to overflow.							

State of New Mexico Oil Conservation Division

Incident ID	NAPP2118846106
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Application ID	

Was this a major	If YES, for what reason(s) does the respon	nsible party consider this a major release?
release as defined by 19.15.29.7(A) NMAC?	Greater than 25 bbls	
, ,	Greater than 25 6615	
☐ Yes ⊠ No		
If YES, was immediate no	otice given to the OCD? By whom? To wh	nom? When and by what means (phone, email, etc)?
	Initial R	esponse
The responsible p	party must undertake the following actions immediatel	y unless they could create a safety hazard that would result in injury
☐ The source of the rele	ease has been stopped.	
☐ The impacted area ha	s been secured to protect human health and	the environment.
Released materials ha	ave been contained via the use of berms or o	likes, absorbent pads, or other containment devices.
	ecoverable materials have been removed an	d managed appropriately.
If all the actions described	d above have <u>not</u> been undertaken, explain	why:
has begun, please attach	a narrative of actions to date. If remedial	emediation immediately after discovery of a release. If remediation efforts have been successfully completed or if the release occurred blease attach all information needed for closure evaluation.
		best of my knowledge and understand that pursuant to OCD rules and fications and perform corrective actions for releases which may endanger
public health or the environr	nent. The acceptance of a C-141 report by the C	OCD does not relieve the operator of liability should their operations have
addition, OCD acceptance of		at to groundwater, surface water, human health or the environment. In responsibility for compliance with any other federal, state, or local laws
and/or regulations.		
Printed Name: Chad Hens	sley	Title: HSE Coordinator
Signature:		Date:
_		
email: chensley@spurene	rgy.com	Telephone: 346-339-1494
OCD Only		
Received by:		Date:

State of New Mexico Oil Conservation Division

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Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	(ft bgs)				
Did this release impact groundwater or surface water?					
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	☐ Yes ⊠ No				
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?					
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	☐ Yes ⊠ No				
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	☐ Yes ⊠ No				
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	☐ Yes ⊠ No				
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	☐ Yes ⊠ No				
Are the lateral extents of the release within 300 feet of a wetland?	☐ Yes ⊠ No				
Are the lateral extents of the release overlying a subsurface mine?					
Are the lateral extents of the release overlying an unstable area such as karst geology?					
Are the lateral extents of the release within a 100-year floodplain?					
Did the release impact areas not on an exploration, development, production, or storage site?	☐ Yes ⊠ No				
Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soi contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.					
Characterization Report Checklist: Each of the following items must be included in the report.					
Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells. Field data Data table of soil contaminant concentration data Depth to water determination Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release Boring or excavation logs Photographs including date and GIS information Topographic/Aerial maps Laboratory data including chain of custody					

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

State of New Mexico Oil Conservation Division

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regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.						
Printed Name: Chad Hensley	Title: HSE Coordinator					
Signature:	Date:					
email: chensley@spurenergy.com	Telephone: 346-339-1494					
OCD Only						
Received by:	Date:					

State of New Mexico Oil Conservation Division

Closure Report Attachment Checklist: Each of the following items must be included in the closure report.

Incident ID	NAPP2118846106
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Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

	A scaled site and sampling diagram as described in 19.15.29.11 NMAC					
Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)						
☐ Laboratory analyses of final sampling (Note: appropriate ODC	Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)					
□ Description of remediation activities						
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete. Printed Name: Chad Hensley Title: HSE Coordinator Date: 09/09/2022 Telephone: 346-339-1494						
OCD Only						
Received by:	Date:					
Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.						
Closure Approved by:	Date:					
Printed Name:	Title:					



Appendix D:

Liner Inspection

Email Notification

Photographic Documentation



Paragon Environmental LLC

Liner Inspection Form

Company Name:	SPUR ENERGY PARTNERS
---------------	----------------------

Site: Seacrest ET AL #1 SWD

Lat/Long: 32.6808398, -104.4192201

NMOCD Incident ID: nAPP2118846106

Incident Date: 06/05/21

2-Day Notification

Sent: 07/18/2022

Inspection Date: 07/20/2022

Liner Type: Earthen w/liner Earthen no liner Polystar

Steel w/poly liner

Steel w/spray epoxy

No Liner

Other:

Visualization	Yes	No	Comments		
Is there a tear in the liner?		X			
Are there holes in the liner?		X			
Is the liner retaining any fluids?		X			
Does the liner have integrity to contain a leak?	X				

Comments:			

Inspector Name: Tristan Jones

Subject: Liner Inspections

Date: Monday, July 18, 2022 at 7:04:13 PM Mountain Daylight Time

From: Chris Jones

To: OCDOnline@state.nm.us, Bratcher, Mike, EMNRD, Hamlet, Robert, EMNRD, Nobui, Jennifer,

EMNRD

CC: Chad Hensley, Braidy Moulder

Attachments: image001.jpg

Mike,

This is to inform you all that Paragon will be conducting Liner Inspections on behalf of Spur Energy on 7-20-22 beginning at 800 am MST at the following locations going in this order.

HEARSE 36 STATE COM BATTERY- nAPP2113945611- 32.61025,-104.43676

Shelby 23 Tank Battery- nAPP2202848888- 32.636495,-104.449015

Bradley 8 Fee #2- nRM2020535132- 32.6684265,-104.4068375

SECREST ET AL #001- nAPP2118846106- 32.6808357,-104.41922

Clydesdale 1 Fee #6H Battery- nAPP2130547657- 32.68579,-104.4303

These are all in a general location from each other and should be an easy day of it. If you have any questions or show up at a site we are not at feel free to give me a call and verify.

Thank You,

Chris Jones Environmental Professional 1601 N. Turner Ste. 500 Hobbs, NM 88240 chris@paragonenvironmental.net 575-631-6977 cell



"We do not inherit the Earth from our ancestors; we borrow it from our children." Chief Seattle



Photographic Documentation Liner Inspection



